IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

THE TRUSTEES OF PURDUE UNIVERSITY, Plaintiff, v. STMICROELECTRONICS, INC., *et al.*, Defendants.	)	Case No. 6:21-CV-727-ADA-DTG Friday, March 3, 2023 2:30 P.M.

TRANSCRIPT OF DISCOVERY HEARING
BEFORE THE HONORABLE DEREK T. GILLILAND
UNITED STATES MAGISTRATE JUDGE

APPEARANCES ON NEXT PAGE.

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Waco, Texas - Friday, March 3, 2023 **(2:30 p.m.)**

P R O C E E D I N G S

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THE COURT: Please be seated.

Ms. Copp, will you please call the case?

THE CLERK: Yes, Your Honor.

Calling Case Number WA:21-CV-727, styled The Trustees of Purdue University vs. STMicroelectronics, Inc., *et al.*, called for a discovery hearing.

THE COURT: All right. Could I get announcements starting with the plaintiff?

MR. SHORE: Michael Shore for the Trustees of Purdue University, Your Honor.

THE COURT: All right. Good to see you, Mr. Shore.

And for defendant?

MR. CICCARELLI: Good afternoon, Your Honor.

Max Ciccarelli and Mike Hatcher for the defendants. And also on the Zoom is Mr. Andrew Mayo who is an in-house counsel for ST.

THE COURT: All right. Very good. Well, good to see you, Mr. Ciccarelli and Hatcher.

I guess this is ST's motion or request so why don't I turn it over to you, Mr. Hatcher.

MR. HATCHER: Mike Hatcher on behalf of the defendants, ST Companies. We only have one issue today, Your Honor, the

production of the prosecuting attorney and his law firm for deposition.

Plaintiff previously agreed that it would provide discovery from them as if they were a party so we don't have any subpoena issues here today. Rather, plaintiff makes two arguments opposing their deposition.

First, plaintiff argues that it should not have to provide the depositions until after its recently filed untimely motion to strike the inequitable conduct defense is decided upon.

And then, second, plaintiff argues that even if its motion to strike is not granted, the scope of the deposition should be limited to just the specific prior art references that are explicitly listed in the current ST answers. Plaintiff has no support for either of its positions.

Regarding timing, there is no reason to delay the depositions until after the Court addresses and decides plaintiff's motion to strike. That motion is untimely in the extreme. ST pled inequitable conduct in its original answer in October of 2021 16 months ago. And plaintiff never moved to strike it. It was only after ST requested dates for these depositions that plaintiff suddenly decided to file a motion to strike the defense from ST's answers to the second amended complaint, answers that were filed in December of 2022.

So even as to those answers, the motion to strike is untimely so plaintiff had to file a motion for leave to get

permission to even file the motion to strike, a motion for leave that hasn't been acted upon yet. That motion for leave should be denied for the reasons in our opposition. But in any event, even if plaintiff is allowed to file it untimely motion to strike, there is no reason to put discovery on pause.

This Court regularly allows discovery to proceed as motions challenging the pleading such as motions to dismiss or strike are pending. Otherwise, discovery could never be timely completed. Indeed, one of the cases plaintiff itself cites confirms this. And if, Your Honor, may I approach and hand you a case?

THE COURT: Certainly.

All right. And for the record, I've got the Vita-Mix Corp. v. Basic Holdings Inc., 2007 WL 2344750.

MR. HATCHER: Thank you, Your Honor.

And, yes, that's the Vita-Mix case that -- one of the two cases that plaintiff cited at the end of its discovery chart. And the Vita-Mix case, and if you look, if you turn it over to the last page, Footnote 4 at the end of the decision, the Court notes, and I quote,

"Plaintiff also argues that the subpoena should be quashed because discovery on defendant's inequitable conduct counterclaim has been automatically stayed by the pendency of plaintiff's motion to dismiss the counterclaim."

So this is a case in which a patentee filed a motion to quash a subpoena to the prosecuting attorney. And the Court notes, "The Court finds this argument to be without merit."

And the outcome of the Vita-Mix case, was that the Court denied the motion to quash and ordered the deposition of the prosecuting attorney to proceed. The Mann case we provided the Court ahead of the hearing is also instructive.

May I approach and hand you that case, as well, Your Honor?

THE COURT: Certainly. Or hand it to Mr. Scott, if you don't mind.

MR. HATCHER: And there, in the Mann case, Your Honor, the patentee made the same type of arguments as does the plaintiff here, alleging that inequitable conduct was a disfavored defense and the defendant had not properly pled it or pled it in good faith.

Now if you look at Footnote 1 spanning Pages 6 and 7, and I've put a tab there, Your Honor, the Court says, and I quote,

"While the Court notes the Federal Circuit's general disdain for pleading inequitable conduct as a defense, and Mann's claim that IFF has not properly pled inequitable conduct and that IFF's affirmative defense was not made in good faith, all that is relevant to the current motion is that inequitable conduct was pled as

an affirmative defense and IFF is entitled to discovery to support that defense."

And the outcome of Mann just like Vita-Mix was that the court denied the motion to quash and ordered the deposition of the prosecuting attorney to proceed. Just like in Vita-Mix and Mann, the Court here should order the prosecuting-attorney depositions to proceed. We've requested dates in early April, and that is more than reasonable.

Now regarding the scope of the depositions, there should be no artificial limits on their scope. Rather, ST should be allowed to explore the full scope of the prosecuting attorney's personal knowledge regarding the asserted patent and the prosecution thereof and should be allowed to explore the full scope of its 30(b)(6) topics to his law firm.

Now plaintiff's only argument is that the scope should be limited to the current pleading. But it has no support for that position. In fact, the Vita-Mix case it cites stands for the opposite proposition.

If you look at the Vita-Mix case again, Your Honor, and I've put a couple of tabs there, at the beginning of the discussion, the patentee there asked in the alternative -- it moved to quash, but in the alternative, it asked the Court to "that all discovery from attorney Grieve be limited to whether the alleged prior art identified in Back to Basics' inequitable conduct counterclaim was both material and non-cumulative and

whether Mr. Grieve intended to deceive the United States Patent and Trademark Office."

So in the alternative, they asked that it be limited, the scope be limited to the pleading. The court denied that request, noting that the deposition did not even need to be limited to inequitable conduct, much less just what was in the pleadings.

Per the court, and if you look at the next page, there's another yellow tab there, the court said, "Such depositions" -- talking about the prosecuting attorney deposition -- "need not be limited to issues relevant to inequitable conduct, as Vita-Mix contends."

Now plaintiff's other cited case does it no good. That's the LG case, and I have a copy of that if you want to see it, Your Honor. But --

THE COURT: I think I have it electronically here, so.

MR. HATCHER: Okay.

In that case, the court granted a motion to compel the deposition of a prosecuting attorney. Plaintiff focuses on the fact that the court ordered the deposition on a "narrowly-tailored topic." But if you look at that opinion, Your Honor, for whatever reason, the defendant there, who was requesting the deposition, only requested the deposition as to that "narrowly-tailored topics."

At the end of the deposition -- I'm sorry, at the end

of the decision, the court notes that the defendant was pursuing a 30(b)(6) deposition against a firm as to other topics about inequitable conduct. LG, thus, does not stand for the proposition that the prosecuting attorney's deposition's scope should be narrowed over the taking party's object. For whatever reason, the taking party only asked for that narrow scope and they got that narrow scope.

And I note that the main case allowed that deposition to go forward without limits as to scope, as well. And, Your Honor, this all makes sense because ST, like any defendant, needs discovery to flesh out and develop its defenses. If ST was limited to just what's already in its pleading, fact discovery would be effectively useless. That's what it's for, to discover additional facts to support claims and defenses.

So, Your Honor, we'd ask that you per the relief requested to order the plaintiff to produce the prosecuting attorney and his law firm for deposition per our notices.

THE COURT: Okay. Thank you, Mr. Hatcher.

Mr. Shore.

MR. SHORE: Well, first, we have never said that we would not allow the deposition. So that's a red herring. It is not before the Court. We never said that.

Second, I just found out from the law firm, Barnes & Thornburg, we're going to be filing a motion to quash the Rule 30(b)(6) deposition. There is no reason to take a corporate

deposition of a law firm. They can take the deposition of the counsel who did the prosecution, but there's no reason to take the deposition of a law firm based upon something that happened 17 years ago.

There is no case, none of the cases they cite, allow a corporate representative deposition of a law firm, and there's no basis for that. And there's no reason to take two depositions on this issue from the law firm. So that motion to quash is going to be filed. They did not agree, the law firm did not agree to do this on a 500-word chart. The lawyer, we agree, that if the inequitable conduct allegation is not struck, he will appear before the deadline for fact discovery.

The Court may recall that when we came to the Court and asked for corporate representative depositions to be compelled in December, the Court found it acceptable that they did not have to give us depositions until March. They asked for these depositions, these are third-party depositions, they are not -- we have not taken one single ST corporate representative deposition yet. Not one. The first one will happen next Tuesday or Wednesday, more than almost two years into the case.

And so what they're trying to do is they're trying to rush these depositions because they know that their allegations of inequitable conduct do not come close to meeting the pleading standards as announced by this Court recently in the Flipsis (phonetic) case.

Now they said, well, we're entitled to flesh out our allegations. They've had an opportunity for the last almost two years to do that, and they didn't even try. They took the deposition of one of the inventors, Dr. Shah or Saha (phonetic), and they didn't ask her a single question about inequitable conduct. And they took that deposition months ago, didn't ask a single question.

And so what they've done, which is different than what's in the case before the Court, they wait until months after the pleading deadline. They don't even have the ability to amend their pleading at this point. They waited until months after the pleading deadline to even start taking discovery on inequitable conduct when they can't change the allegations. The allegations are fixed.

So I guess what they want to do is instead of being limited to the allegations in their pleadings, which are grossly insufficient, they want to try to ambush the prosecution counsel with unpled allegations that they can't change and they can't amend because the pleading deadline has passed. And to tell you how weak these allegations are, and the reason why we want to wait and see if they even survive, these allegations are so weak that this art that they claimed was material, they didn't cite it in their IPR at the PTAB.

Wolfspeed, who has co-authors on some of these articles, Wolfspeed did not cite a single one of these articles

to the PTAB in their IPR. These articles are not relevant. They're not material. They're cumulative of the art cited in the specification, and they know that. This is harassment.

And so what we have asked is very simple. We said, Judge, we would like -- and the standards for granting leave to file a motion to strike in an inequitable conduct claim are low. It's a low standard, and that's outlined in our brief, because when you have an allegation that -- there's no chance that these allegations survive under the Flipsis standard that Judge Albright just announced a few months ago, a couple of months ago in this Court, I think it was in January. That Flipsis standard, there's no way they comply with it, and they know it.

So all we're asking is let's get that ruled on. If the Court doesn't rule on it by the time the deposition, the discovery deadline is coming up, we'll give them the deposition of the prosecuting attorney. That's fine. It will happen before the discovery deadline. It will happen within two months of the request which is we didn't get our deposition that we requested for three months. So we're actually giving it to them two months quicker than what the Court gave it to us when we had the same issue asking for deposition dates.

So if the motion is granted, there is no deposition. It saves everybody time and money. We don't have to pay the lawyers at Barnes & Thornburg to appear. We don't have to prepare them. We don't have to fly to Indianapolis and do the

deposition. It saves everybody a lot of time and money if that motion is granted. If it's not granted, they still get the deposition of the prosecuting counsel before the discovery cutoff.

There's two other problems here. We got dates from the Barnes & Thornburg lawyer. He's available in May. That's when he's available. I have a trial in April, and Mr. Lahad has a trial in April. So we are going to be scrambling to get all of the ST corporate representative depositions done, to get the Purdue corporate representatives done, to get the Purdue fact witnesses done that they've asked for, and to date, we're probably unfortunately going to get another one of these charts next week because they haven't even provided us deponents or dates for more than 25 topics in our 30(b)(6) notice.

And that 30(b)(6) notice has been outstanding since September. So we've had notice to them since September where we're still waiting on deponents and dates. They haven't given us anything, and we're going to have to move to compel that. We have a limited amount of time in April, we have a limited amount of time in March. Those depositions are much more important than these depositions, probably that won't even go forward at all because their inequitable conduct allegations are likely going to be struck if the Court applies the same standard in this case as it applied in Flipsis.

So to cut this short, we'll give them the deposition of

the prosecuting attorney if the allegations survive or if they are not ruled on. And we will give them these depositions before the discovery cutoff. But if they have dates that they can give us to take these depositions in April, then they need to give us those dates to take the ST corporate representative depos that we've been waiting on since last September.

So we're not trying to hide anything. We're not denying them access to take the deposition of the prosecuting counsel. We're saying you can take his deposition, but you need to take it when we're available, the lawyers are available, those dates are in May. We provided those dates to them. They just don't like them because they want to bum-rush us and use the limited time that we have in March and April to take these depositions instead of the depositions that we want to take that we've been asking for since September.

We're not being unreasonable. We're not trying to block the discovery. We're trying to prioritize it and potentially avoid it because it may be discovery that is completely unnecessary because it will be on an issue that's struck from the case. And if they wanted this testimony so badly, they should have asked for it six months ago.

And if they'd asked for it six months ago, it probably would have stirred in our minds the motion to strike it because, again, this is a junk harassing terroristic allegation of inequitable conduct, exactly the type of thing that the Federal

Circuit doe not like and exactly the type of thing that this Court or Judge Albright struck in the Flipsis case just in January. That's our position, Your Honor.

THE COURT: Okay. When is the discovery cutoff?

MR. SHORE: May 22nd. And we offered them dates more than a week or two before that cutoff. But I've got a trial in Wichita Falls in April, and Mr. Lahad has a trial in Delaware in April. So we are going to really be scrambling to get all of the party depositions, including deposition -- I mean we have Dr. Cooper, the lead inventor's deposition, we have a deposition of the Purdue Research Foundation licensing people, we have 20 -- we have at least two or three depositions set of ST corporate representatives, and we have more than I think it's 25 or more topics that they're refusing to give us deponents or dates for that we I guess are going to have to have another chart next week because they won't give us any.

So there is a lot of work to be done in March and April on party depositions, party discovery on issues that we know are going to be in the case. And, again, if the Court doesn't get to ruling on the motion for leave and the motion to strike the inequitable conduct allegations, if there's not time for the Court to do it, we'll give them this deposition, this one deposition of the attorney who is actually involved. But that can happen in May.

There's no reason for it to happen any sooner and,

frankly, we don't have any dates to give them earlier for the lawyer earlier than the date we gave them in May.

THE COURT: Okay.

Mr. Hatcher, go ahead.

MR. HATCHER: Just to respond briefly, Your Honor.

The story keeps changing. Now it's they don't have any dates before May. They've never said that before. They refused -- they first refused to -- their first position was that they weren't going to produce them until after expert reports were submitted. Then, we get end of discovery. Now he's saying we can't do it any earlier.

Your Honor, they need to go back. If it's not April, I can do late March. But this deposition is important to us and the development of our case just like other depositions are important to Mr. Shore in the development of his case. There's no reason to put it off simply because he thinks he's going to win a motion to strike, which he's not.

But more to the point, even if he had a meritorious motion to strike, which is untimely, we'd still be entitled to the deposition to develop the defense and see if we could then identify additional facts and evidence to replead the defense. There's simply no point. There's no reason to put off this deposition.

THE COURT: Okay. So here's what I'm going to do is I'm going to grant the request for the depositions. I'm not

going to -- well, I'll put it this way. I'm going to grant the request for the depositions and that the witness be presented at least one week before the current fact discovery cutoff. I don't really want to wade into the April versus May versus March issue.

But this is, in my view, analogous to willful infringement allegations. And my understanding is the practice in this district is even if those sort of allegations are struck from the pleading, you're still allowed discovery on them. And this is just sort of the flipside of that coin being inequitable conduct allegations. So I find that it's permissible discovery, so I'm going to grant plaintiff's request, order Mr. Shore make both the individual and the 30(b)(6) witness available. And if you file the motion to quash and seek a protective order to stay it, absent that and a granting of that motion to quash, we'll order you to make those people available, as well.

But without that motion in front of the Court, I'm not going to pre-rule on that. So that will be the order is to make the -- both the individual and the 30(b)(6) witnesses available at least one week before the current close of fact discovery. And then we'll deal with motions to quash and we've got the motion to strike. I think the leave has been filed, but the time for a response hasn't passed yet, so we'll deal with that once it ripens, as well.

So I think that's everything. Mr. Hatcher, is there anything else?

MR. HATCHER: The only thing I would say, and maybe this will help with the 30(b)(6) versus individual depositions, is we'd certainly be willing to have Mr. Kellett who is the prosecuting attorney, who was noticed individually, to sit simultaneously as the 30(b)(6) for the firm, too. And we'd take effectively one deposition for both. Frankly, that's what I thought the response was going to be.

Mr. Kellett is the one that actually did all of the prosecuting, but I don't know to the extent to which he had help from others in the firm. So notice him individually, notice the firm for a 30(b)(6), take one together, kill two birds with one stone.

THE COURT: And that I will let you see if perhaps you can work that out with Mr. Shore.

MR. SHORE: (Indiscernible), Your Honor, as long as the deposition still, you know, seven hours. I don't want him to have to take back-to-back seven-hour depos. But as long as it's one deposition limited to seven hours, I'll tell Barnes & Thornburg to please don't make me file a motion to quash that's going to be denied. I understand the Court would deny it if we filed it. So as long as it's one deposition limited to seven hours, that's totally reasonable.

THE COURT: Okay.

MR. HATCHER: I would anticipate that would be the case.

THE COURT: Okay. Well, I'll let y'all meet and confer. I'm not going to rule on that. But that all, it sounds like everybody's being more than reasonable with the request on both sides.

And so that will be the ruling regarding the deposition. Let me give Mr. Shore a chance, is there anything else that you need to take up with the Court today?

MR. SHORE: No, Your Honor.

THE COURT: Okay. And Mr. Ciccarelli?

MR. CICCARELLI: Your Honor, there was a lot of comments made about what ST refused to do in discovery that had no relevance to this hearing by Mr. Shore. I'm not going to address them. I didn't want the Court to think that we agree with it by remaining silent. So I just wanted to make that clear for the record.

THE COURT: I understand. And especially I know you've got I think client representatives on, so rather than have this digress into things that I don't think are pertinent for the present issue before the Court, I appreciate the representation. Nobody's waived anything by failing to respond to them.

MR. CICCARELLI: Thank you.

THE COURT: And with that, we will be adjourned.

MR. HATCHER: Thank you, Your Honor.

MR. SHORE: Thank you, Your Honor.

(Proceedings adjourned at 2:54 p.m.)

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C E R T I F I C A T E

I, DIPTI PATEL, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

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